

Voluntary - Public

Date: 7/15/2009

GAIN Report Number: E49053

EU-27

Post: Brussels USEU

EU Orientation Paper on a New Food Quality Policy

Report Categories:

Trade Policy Monitoring

Approved By:

Prepared By:

Hilde Brans

Report Highlights:

In May 2009, the European Commission published its "Communication on Agricultural Product Quality Policy" which outlines a number of policy options including a recast of the geographical indications legislation and identifies three main issues (information, coherence, complexity) that should be addressed in the development of a new food quality policy.

General Information:

EU ORIENTATION PAPER ON A NEW FOOD QUALITY POLICY

Current Agricultural Product Quality Policy

The EU's agricultural quality policy has been developed on a piecemeal basis, i.e. instrument by instrument, sector by sector. A variety of quality schemes are currently being used in the EU: the geographical indication schemes which consist of Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI), the "Traditional Specialty Guaranteed" (TSG) scheme, organic labeling schemes and marketing standards which set out product definitions and labeling requirements for certain agricultural products.(single CMO). The quality schemes are either "certification" schemes for which detailed specifications have been laid down and which are checked periodically by a competent body or "labeling" schemes which are subject to official

controls and communicate the quality of a product to the consumer. Both schemes can indicate that a product meets the EU's baseline requirements but can also be used to show "value-adding qualities" such as specific product characteristics or farming attributes (e.g. production method, place of farming).

Publication of a Commission Communication on the Development of a New Quality Policy

On May 28, 2009, the European Commission published its ["Communication on Agricultural Product Quality Policy"](#). The Communication follows on from the [Green Paper](#) published in October 2008, a [public online consultation of stakeholders and other interested parties](#), and a [high-level conference in Prague](#) in March 2009. The Council of Agriculture Ministers has already indicated that it broadly agrees with the Commission's new strategy on food quality and intends to have further discussions on specific issues covered by the Communication (see [Council Conclusions adopted at the June 22-23 meeting in Luxembourg](#)).

The Communication outlines a number of policy options and identifies three main issues that should be addressed in the development of a new agricultural product quality policy:

- **Information:** better inform consumers about quality labels and improve the recognition, protection and promotion of EU quality schemes.
- **Coherence:** better streamline the EU agricultural product quality legislation with other relevant legislation.
- **Complexity:** simplify application procedures for farmers and producers and clarify the various quality schemes and labeling terms to consumers.

After examining the outcome of the public consultation and the efficacy of the current measures, the Commission proposes to develop a new quality policy based on the following structure:

- For certification-type schemes, the development of guidelines;
- For labeling-type measures, establishing EU marketing standards within the single CMO.

Policy Options set out by the Communication:

- EU Marketing Standards

The existing EU marketing standards are criticized for being too detailed and too prescriptive. The Commission proposes to establish a general basic marketing standard which would lay down compulsory rules.

Earlier this year, a so-called simplification of the marketing standards for fruit and vegetables was adopted. The new regulation which enters into force on July 1, 2009, establishes a general marketing standard, repeals specific marketing standards for 26 products but retains specific standards for 10 products (see [GAIN report E49013](#)). On May 27, 2009, the Commission published

on its website a “call for tender” for a study on marketing standards in the fruit and vegetable sector. The study must determine to what extent specific marketing standards are useful for producers, traders, packers and retailers and must assess the validity of arguments against or in favor of repealing specific standards.

- Place-of-farming Labeling:

The Commission will consider appropriate place-of-farming labeling within marketing standards for agricultural products, while taking into account the specificities of some sectors such as the processing industry.

Currently, place-of-farming labeling is mandatory in the EU for beef and veal, fruit and vegetables, eggs, poultry meat, wine, honey, olive oil, aquaculture products and organic products (as of 2010). The idea of place-of-farming labeling is mainly supported by consumer groups while processors and retailers hate the idea because they source products from different origins at different times. Agriculture Commissioner Fisher-Boel reportedly supports place-of-farming labeling but already indicated that it is uncertain whether the final legal proposal will include all agricultural products. Place-of-farming labeling is also being discussed in the context of the Commission’s Food Information proposal (see [GAIN report E48145](#)).

- Optional Reserved Terms

The Commission is considering the use of optional reserved terms to define additional information about product qualities such as “first cold pressed extra virgin and virgin olive oil”. The feasibility of laying down specific optional reserved terms such as “product of mountain farming” and “traditional product” will be examined. The specific reserved term “traditional product” would replace the “Traditional Specialties Guaranteed” label which nobody understands (except the manufacturers of the products) and is only being used on 20 products in the EU. As an alternative to legislation, the Commission is suggesting to let the [European Committee for Standardization \(CEN\)](#) manage the optional reserved terms. CEN is already in charge of managing industrial standards. In its conclusions, the Council stresses that the use of optional reserved terms should be voluntary.

- Geographical Indications

There are currently three different registration schemes, i.e. for wines, spirit drinks and agricultural and food products and two instruments, i.e. the PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication). PDO covers products which are produced, processed **and** prepared in a given geographical area using recognized know-how. PGI covers products which are linked to a geographical area and at least one of the stages of production, processing **or** preparation takes place in that area.

The outcome of the public consultation showed widespread support for the EU’s geographical indications system and interest in better protection of registered products in third countries. As the current registration procedures are too long and too complex, unclear on the use of generic terms

and because most of the registered products only have a local reputation, the Commission intends to recast the geographical indications legislation. The Commission is considering consolidating the three different systems (wine, spirit drinks and agricultural products) into a single regulatory structure and maybe merging the current PDO and PGI instruments into a single instrument offering different levels of EU protection. Clarification of generic terms to avoid protected names becoming generic will also be addressed in a future proposal. The Commission's proposal is expected to be presented in the first half of 2010.

In the international context, the Commission is proposing to seek enhanced protection of EU geographical indications in third countries within the WTO framework as well as bilateral trade agreements and to include geographical indications in the scope of the [“Anti-counterfeiting trade agreement”](#) as well as the forthcoming [“European observatory on counterfeiting and piracy”](#).

Finally, the Commission will develop guidelines on the use of geographical indications as advertized ingredients on the labels of processed products and on the inclusion of sustainability criteria in product specifications. The Commission is also committing to prepare a report on the impact of ending milk quotas on production and marketing of cheese covered by geographical indications.

- Organic Farming

A new EU organic logo is in the making and will, as of July 2010, become mandatory on all EU products sold as organic. The mandatory use of an EU organic logo should solve the problem of mutual acceptance between private organic labeling schemes and the proliferation of organic logos. A Commission report on the application of the new organic regulation (Council Regulation 834/2007) which entered into force on January 1, 2009, will be presented to the Council and the European Parliament in 2011. The Commission will also seek mutual recognition of organic standards with third countries and contribute to the development of the Codex Alimentarius organic guideline.

New EU Quality Schemes?

In addition to the existing EU quality schemes, the Commission is currently working on Communications on **Animal Welfare** labeling (expected in July 2009) and **Fair Trade** labeling. Earlier this year, the Commission's proposal to extend the **eco-labeling** scheme to processed food products as well as fisheries and aquaculture products was voted down by the European Parliament. The Council and the European Parliament have invited the Commission to undertake a study assessing whether reliable environmental criteria can be established for food production. The Commission is now working on a separate proposal setting minimum criteria for ecological labeling of fisheries products. The Council has requested the Commission to look at labeling options in the complex area of **carbon footprint**.

Private and National Food Certification Schemes

The Commission does not support legislation for private and national food certification schemes at this point in time but plans to develop good practice guidelines for the operation of schemes relating to agricultural product quality. The guidelines will be drawn up in consultation with stakeholders.

Conclusions

Simplification and clarification of EU quality schemes are the stated aims of the Commission Communication.

The Commission will:

- Work on legislative proposals on the geographical indications schemes (expected in 2010), an alternative for the “traditional specialties guaranteed” scheme, EU marketing standards, and animal welfare and fair trade labeling schemes.
- Improve recognition of EU quality schemes in third countries.
- Investigate the potential for using the CEN standard setting body to manage “optional reserved terms”.
- Develop good practice guidelines for agricultural product quality certification schemes.
- Prepare a report on the application of the new regulation on organic farming.